



# Strategic Modalities for Use of CTF Resources

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# Need for Updated Strategy for CTF Resource Use

- TFC request for “options for strategic use of CTF resources”
- **Multitude of calls for scaled-up climate finance**
  - Bridgetown Initiative, New Global Financing Pact, COPs, G20 Agenda
  - WBG Evolution Roadmap and similar MDB plans
  - **\$4 trillion/yr for clean energy tech** by 2030 to reach net zero (*G20, Sept 2023*)
- **Large finance scale up can start with CCMM and CTF replenishment**
  - **CCMM to mobilize \$5.0-7.5 billion over 10 years** (\$50-75 billion co-financing)
  - **CTF Replenishment** by coalition of willing donors?



# CTF's Role in Climate Finance Architecture

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- Complementary and contributing to **Country and MDB Strategies**
  - NDCs, LTSs, National Energy Plans, NAPs, MDB country and climate strategies
  - **At least \$5.8 trillion up to 2030 for NDC implementation**, with more for LTSs by 2050
- Improved **cooperation with climate funds**



# Options for Strategic Modalities for CTF

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- Building on the success of the **Programmatic Approach and DPSP Model**
- Aligning with the **Governance Review**
- **Potential Modality Options:**
  1. Next Stage of Programmatic Approach
  2. Thematic Flexible Programming
  3. CTF Support for Existing CIF Programs





# Modality Option 1: Next Stage of Programmatic Approach

- **Transition IPs** developed around economy-wide to tackle all aspects of transitioning to clean economies (renewables, grid integration and access, coal transitions, transport, industry)
- Support implementation of NDCs, LTSs, national energy plans, etc
- Opportunity to develop **Regional Approaches** and **New Country Applications**



# Modality Option 2: Thematic Flexible Programming 6

- Support for specific technologies and additional countries using the existing DPSP model could expand to the following areas:
  - Hydrogen accelerator
  - Transport decarbonization
  - Decentralized RE
  - Offshore RE
  - ACT pilot action window
  - Technology-specific scale-up
  - Dedicated climate ventures window





# Modality Option 3: CTF Support for Existing CIF Programs

- **Scale up financing for CIF programs**, with a CCMM-funded CTF supporting IPs and projects on:
  - **Renewable Energy Integration** (pilot proposal for four countries being discussed)
  - **ACT** (eight remaining countries could be offered IP support)
  - **Industry Decarbonization** and **Smart Cities** programs (multiple CTF countries expected to apply)
- Help ensure middle- and low-income countries have equitable access to CIF resources
- Serve as interim step toward new Transition IPs



# CIF



# CLIMATE INVESTMENT FUNDS

*Investing in the future*

